

**SETTLEMENT AGREEMENT, MUTUAL RELEASE AND JOINT ESCROW
INSTRUCTIONS**

This Settlement Agreement, Mutual Release and Joint Escrow Instructions ("Agreement") is entered into as of March 23, 2009 by and among MAMMOTH 8050, LLC, a Delaware limited liability company ("8050"), iSTAR FINANCIAL, INC., a Maryland corporation ("iStar"), SFI MAMMOTH HOLDINGS LLC, a Delaware limited liability company ("SFI"), MAMMOTH 8050 HOMEOWNERS ASSOCIATION, a California not for profit mutual benefit corporation (the "8050 Association") and MAMMOTH 8050 CONDOMINIUM ASSOCIATION, a California not for profit mutual benefit corporation ("Mammoth Association") (iStar, SFI, 8050 Association and Mammoth Association are collectively referred to herein as the "iStar Entities"), and MAMMOTH FIRESIDE CONDOMINIUM NO. 1 OWNERS ASSOCIATION, a California unincorporated Association ("Fireside"). All references to a "party" or the "parties" shall refer to a party or the parties to this Agreement.

RECITALS

WHEREAS, 8050 was the developer of the real property known as 8050 Mammoth and/or the 8050 Private Residence Club (the "8050 Property"), which property is located in the town of Mammoth Lakes, California (the "Town"). In or about December 2007, 8050 conveyed all of its right, title and interest in the 8050 Property to SFI, as the designee of iStar.

WHEREAS, the 8050 Property includes two completed buildings (Buildings A and B) which comprise one, two and three bedroom luxury condominiums and common areas, including a subterranean parking garage, a rooftop spa and retail spaces. The 8050 Property also includes a completed subterranean parking garage ("Parking Garage") which is the foundation for proposed Building C. Proposed Building C has not been constructed, other than the Parking Garage.

WHEREAS, the 8050 Association and the Mammoth Association are homeowners associations representing the owners of the condominium units in Buildings A and B. The 8050 Association and Mammoth Association own, among other things, certain of the common areas on portions of the 8050 Property.

WHEREAS, Fireside is the homeowners association representing the owners of condominium units in the condominium development known as the Fireside Condominiums (the "Fireside Property"). The Fireside Property is located adjacent to and directly south of the 8050 Property.

WHEREAS, 8050 and Fireside entered into that certain Agreement for Purchase and Sale of Real Property and Joint Escrow Instructions, dated as of December 14, 2004 (the "Purchase Agreement"). Under the terms of the Purchase Agreement, Fireside agreed to sell certain real property to 8050, and 8050 and Fireside mutually agreed to grant to each other certain easement and other rights.

WHEREAS, in connection with the Purchase Agreement, 8050 and Fireside executed that certain Irrevocable License and Maintenance Agreement ("License Agreement") and that certain Reciprocal Easement and Maintenance Agreement ("REMA") dated as of December 14, 2004. The License Agreement was recorded on September 7, 2004 as instrument number

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2004008147 and the REMA was recorded on March 30, 2005 as Instrument No. 2005002456, both in the official records of Mono County, California. The REMA provides for, among other things, certain easement and other rights burdening the 8050 Property and the Fireside Property.

WHEREAS, on or about May 27, 2008, Fireside filed a complaint entitled Mammoth Fireside Condominium No. 1 Owners' Association v. Mammoth 8050, LLC, et al., Mono County Superior Court Case No. 16452, alleging causes of action against 8050, iStar, and SFI for breach of contract, specific performance, fraud and deceit, quiet title to easements, preliminary and permanent injunction; and declaratory relief. The original complaint and all amendments thereto are referred to herein as the "Complaint."

WHEREAS, Fireside caused a Notice of Pending Action to be recorded against the 8050 Property on June 20, 2008 in the official records of Mono County as instrument number 2008002761 (the "Lis Pendens").

WHEREAS, iStar and SFI filed answers to the Complaint and SFI filed a Cross-Complaint alleging a single cause of action against Fireside for breach of contract (the "Cross-Complaint").

WHEREAS, the parties desire to fully, finally, and completely settle and resolve all disputes among or between them arising out of or relating to the Complaint, the Counterclaim, the Purchase Agreement, the REMA and the development of the 8050 Property. The parties acknowledge that this Agreement constitutes a compromise of disputed claims and the consideration furnished is not to be construed as an admission of liability, but is merely made to avoid further litigation.

WHEREAS, Fireside, through its Board of Directors, is entering into this Agreement on behalf of the members of Fireside pursuant to section 17.1 of the Purchase Agreement.

WHEREAS, in consideration of the foregoing premises and the covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby covenant and agree as follows:

1. Escrow.

(a) The parties shall cause an escrow ("Escrow") to be opened with First American Title Insurance Company ("Escrow Holder") for purposes of the execution and performance of certain of the parties' respective obligations under this Agreement.

(b) Documents and Funds Delivered to Escrow. The following shall be delivered into the Escrow prior to the Closing Date; which shall be on or before June 5, 2009, or some other date mutually agreed to in writing by the iStar Entities and Fireside (the "Closing Date").

(i) On or prior to the Closing Date, the iStar Entities shall deliver to Escrow Holder: (A) the Payment described in Section 2, below (by certified or bank check payable to Fireside, or by federal funds wire transfer); and (B) one executed counterpart of the Amended REMA as defined in Section 7(b), below, and (C) the fully executed Subordination

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Agreements as set forth in Section 5 below.

(ii) On or prior to the Closing Date, Fireside shall deliver to Escrow Holder: (A) one executed counterpart of the Amended REMA; (B) a fully executed and notarized original Release of the Lis Pendens, as described in Section 4, below; and (C) the certificate(s) of insurance required of Fireside, if applicable, under the Amended REMA.

(c) Conditions to Closing. Escrow Holder shall not close Escrow unless and until the following conditions precedent and contingencies have been satisfied: (i) This Agreement has been executed by the parties and delivered to Escrow Holder; (ii) All instruments described in Section 1(b) have been executed by the parties and/or their counsel and delivered to the Escrow Holder; (iii) The funds described in Section 1(b)(i) have been delivered to the Escrow Holder; (iv) receipt by Fireside of written assurance from First American Title Insurance Company ("Title Company") that it is unconditionally committed to issue the Title Policy as defined in Section 1(d).

(d) Close of Escrow. Upon satisfaction of the conditions set forth in Section 1(c) above, Escrow Holder shall close Escrow as follows: (i) Cause the fully executed original of the Amended REMA, the Release of Lis Pendens, and the Subordination Agreements to be recorded in the Official Records of Mono County, California; (ii) Deliver to the parties at least one fully executed original of this Agreement and at least one conformed copy of the recorded Amended REMA, recorded Release of Lis Pendens and recorded Subordination Agreements; (iii) Deliver to the iStar Entities the certificates of insurance described in Section 1(b)(ii); and (iv) Deliver to Fireside the payment provided for in Section 1(b)(i), above and a ALTA Standard Coverage Form Policy of Title Insurance together with a Mechanic's Lien Endorsement issued by the Title Company in favor of Fireside in the amount of One Million Dollars (\$1,000,000) insuring that the Amended REMA is in a first priority position subject only to non-delinquent general and special taxes and assessments and other easements, covenants, conditions and restrictions and other matters of record excluding any mortgage, deed of trust, including lien, judgment lien or similar monetary lien or encumbrance whatsoever. The cost of said title policy shall be at Fireside's expense.

(e) Escrow Fees and Costs. All expenses, fees and costs of the Escrow and Escrow Holder shall be shared equally by the parties.

2. Payment. On or prior to the Closing Date, iStar shall pay to Fireside, as compensation for damages incurred by Fireside, the sum of two million five hundred thousand dollars (\$2,500,000.00) by depositing such funds in the Escrow.

3. Dismissal With Prejudice. Within five (5) days after the Closing Date, counsel for the parties and/or the parties shall execute and cause to be filed a Request for Dismissal of the Complaint, in its entirety, and the Cross-Complaint, in its entirety, with prejudice as to all parties named in either pleading. Each party shall bear his/its own attorneys' fees and costs that in any way arise out of or relate to the disputes between the parties, including fees and costs incurred prior to the filing of the Complaint.

4. Release of Lis Pendens. On or prior to the Closing Date, Fireside shall deposit in

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the Escrow a fully executed and notarized original Release of the Lis Pendens in the form attached hereto as Exhibit 1.

5. **Subordination Agreements**. On or prior to the Closing Date, iStar Entities shall deposit in Escrow agreements to subordinate all deeds of trust held by iStar Entities and secured by the 8050 Property to the Amended REMA ("Subordination Agreements"), in the forms attached hereto as Exhibit 2.

6. **Construction of the Parking Garage and Building C**.

(a) **Fireside Consent to Parking Garage**. The Parking Garage has been completed and SFI has received a Certificate of Occupancy from the Town. Fireside consents to and accepts construction of the Parking Garage as it exists, and will cooperate with and will not take any action to stop, alter, change or otherwise interfere with any efforts by SFI to comply with conditions imposed by the Town or that are otherwise, in SFI's judgment, necessary to maintain the Certificate of Occupancy.

(b) **Consent to Building C**. Subject to the setback and payment, if applicable, as provided for in Section (c) below, Fireside hereby consents to the construction of Building C as depicted in the approved design plans and/or the unapproved redesign footprint plans attached hereto as Exhibit 3 or as redesigned by the iStar Entities in their discretion, provided any such redesign maintains materially the same sight lines as the design plans attached as Exhibit 3 and the redesigned building is also used primarily for residential and/or transient occupancy purposes. Subject to the foregoing, Fireside hereby represents, warrants, covenants and agrees that it shall not, directly or by acquiescence, take any action to oppose, prevent, delay, or impair the construction of Building C. Fireside shall cooperate, as reasonably requested by SFI, with SFI in SFI's construction of Building C, provided that the foregoing agreement to cooperate shall not require Fireside to incur (or agree to incur) any liability or to pay or incur any additional cost or expense not otherwise provided to be paid or incurred by Fireside hereunder or under the terms of the Amended REMA. Fireside understands and agrees that SFI has no obligation under this Agreement (or any other agreement between the parties) to construct Building C or to consult with Fireside, or to obtain Fireside's approval, in relation to the construction of Building C.

(c) **Setback**. No improvement on the 8050 Property to be used for human habitation shall be constructed less than fifty (50) feet from the closest residential improvement existing on the Fireside Property as of the date of this Agreement. Notwithstanding the foregoing, the iStar Entities shall have an option to construct Building C less than fifty (50) feet but no closer than thirty-five (35) feet from the closest residential improvement existing on the Fireside Property, which option shall be exercisable at any time from the date the Amended REMA is recorded until November 28, 2014 (the "Option Period"). The option shall be exercised by paying Fireside the sum of One Million Dollars (\$1,000,000.00) ("Option Payment") as damages for building within the setback. If the iStar Entities commence construction on Building C, and the proposed design is within the fifty (50) foot setback, then the Option Payment shall be made within ten (10) days after the Commencement of Construction. For purposes of this Section 6(c), "Commencement of Construction" shall mean the date of the delivery to the Building C site of any structural steel for vertical construction. Thus, if the iStar

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Entities make the Option Payment within the Option Period, then the iStar Entities shall have the right, in perpetuity, to construct Building C within the fifty (50) foot setback (subject to the thirty five (35) foot setback). If the Commencement of Construction is prior to the expiration of the Option Period, then the iStar Entities shall make the Option Payment within ten (10) days after the Commencement of Construction, even if the ten day period is after the Option Period. If the Option Payment is not made within the Option Period and the Commencement of Construction is not within the Option Period, then Building C shall not be constructed less than fifty (50) feet from the closest residential improvement existing on the Fireside Property.

7. **Termination of Purchase Agreement and REMA.**

(a) This Agreement supersedes and replaces the Purchase Agreement and all terms and provisions contained therein except for section 17.1 of the Purchase Agreement which shall remain in effect for purposes of Fireside's enforcement of its rights under this Agreement and the Amended REMA (defined below) and is incorporated herein. Each party hereby waives any and all ongoing rights under the terms of the Purchase Agreement and all further obligations of any party under the Purchase Agreement shall be terminated as of the Closing Date. The transfer of the Property, as defined in Section 1 of the Purchase Agreement, shall not be affected by this Agreement.

(b) Prior to the closing, the parties shall execute and deposit in Escrow an Amended and Restated Reciprocal Easement and Maintenance Agreement ("Amended REMA") in the form attached hereto as Exhibit 4. The Amended REMA shall supersede the License Agreement and REMA and all terms and provisions contained therein. Each party hereby waives any and all rights under the terms of the License Agreement and REMA. All obligations of any party under the License Agreement and REMA shall be terminated as of the Closing Date.

8. **Parking Spaces Easement.**

(a) The iStar Entities shall grant Fireside an easement for the exclusive use of fifty (50) parking spaces (the "Parking Spaces") on the upper level of the Parking Garage ("Fireside Portion" of the Parking Garage) in accordance with the terms of the Amended REMA.

(b) The iStar Entities shall be entitled temporarily to reduce the number of Parking Spaces for construction, maintenance, repairs, renovations, safety purposes, in the event of an emergency, or as a result of requirements by the Town or any other governmental agency, provided, however, that during the time the number of spaces is reduced, the iStar Entities shall provide valet parking for an equal number of spaces at their sole cost, either at the 8050 Property or at some other mutually agreed upon location arranged by the iStar Entities. In lieu of reducing the number of Parking Spaces and providing valet parking in accordance with this Section 8(b), the iStar Entities shall be entitled to temporarily relocate the Parking Spaces in another part of the Parking Garage or in the parking areas for Buildings A and B.

(c) Any valet parking provided by the iStar Entities pursuant to Section 8(b) shall be subject to the following: (i) valet service will be provided on a 24 hour/7 days per week basis; (ii) the iStar Entities shall be entitled to drop-off and pick-up vehicles at the three parking spaces at the Fireside Property that are located directly adjacent to Canyon Boulevard, or

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at the Minaret exit, or at some other location that is within one hundred (100) feet of the Parking Garage Minaret exit; (iii) the iStar Entities shall provide two (2) weeks written notice to Fireside prior to providing any valet parking pursuant to this Section; and (iv) the iStar Entities shall not temporarily reduce the Parking Spaces during the winter season (November 1st through March 31st) unless required to do so by the Town or any other governmental agency as a result of construction or other activities, or because of an emergency.

(d) Fireside shall be responsible for handicapped spaces required by the Town and/or compliance with any ADA or other regulatory requirements imposed on the Fireside Parking Spaces.

(e) All vehicles utilizing the Parking Garage shall not be higher than seven foot six inches (7'6").

(f) The iStar Entities have installed an access security system at the garage entrance from Canyon Boulevard and at the pedestrian entrances near Canyon Boulevard and Minaret Road. The iStar Entities shall provide a key pad access code and forty (40) remote control garage door openers to Fireside for use by Fireside's members and guests. Fireside shall be entitled to install a new access security system at Fireside's expense, subject to reasonable approval by the iStar Entities. If a new access security system is installed, or the access codes are changed by Fireside, Fireside shall provide security access to the iStar Entities. The cost and expense of administering and maintaining a new security system shall be charged to Fireside. The iStar Entities shall not be responsible for repair, replacement or maintenance of remote control garage door openers.

(g) With the exception of the storage lockers, as described in Section 11 below, Fireside understands and agrees that the iStar Entities shall have access to any and all portions of the Parking Garage at all times and for any reason.

(h) The cost of operating and maintaining the Parking Spaces shall be in accordance with the terms of the Amended REMA.

(i) The parties shall purchase insurance as required under the terms of the Amended REMA.

(j) The rules and regulations on Exhibit 5 attached hereto shall govern the use of the Parking Garage and Parking Spaces by Fireside and its members. Exhibit 5 shall not supersede the provisions of this Agreement or the Amended REMA regarding Fireside's and its members' use of the Parking Garage. The iStar Entities may change the rules and regulations for the use of the Parking Garage and the Parking Spaces so long as the changes are non-discriminatory, reasonable and do not interfere with Fireside's rights under this Agreement and the Amended REMA.

(k) The iStar Entities acknowledge that Fireside may assign the Parking Spaces to individual condominium units. Subject to the iStar Entities' prior approval regarding design, location and installation method (which approval shall not be unreasonably withheld), Fireside will be entitled to label the Parking Spaces with signs and/or screened numbers on the floor, and to change such labeling as may become reasonably necessary.

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9. **Access Easements.** In accordance with the terms of the Amended REMA, the iStar Entities shall grant to Fireside the following easements on, over and through specific portions of the 8050 Property: (a) a non-exclusive easement over the Fireside Portion of the Parking Garage for vehicular and pedestrian ingress and egress; (b) a non-exclusive easement over the driveways into and out of the Parking Garage for vehicular ingress and egress; and (c) a non-exclusive easement over portions of the 8050 Property adjacent to the Fireside Property for the purpose of pedestrian access and ingress and egress to and from the Parking Garage. However, Fireside shall avoid use of landscaped areas of the easements.

10. **Walkways and Vehicular Access.**

(a) **Maintenance.** Unless the walkways or vehicular access, or any portion of them are dedicated to public use by the Town and/or any other public agency, and the Town or public agency assumes maintenance obligations, the iStar Entities shall maintain, at their expense, the non-public vehicular access and the easements granted to Fireside under the Amended REMA, including but not limited to the walkways between the 8050 Property and the Fireside Property and the walkways from the Parking Garage to the Fireside Property line. Fireside shall have a non-exclusive easement for purposes of pedestrian ingress and egress as provided under the terms of the Amended REMA. The iStar Entities shall be responsible for snow removal or snow melt (as mandated by the Town) on all the walkways within the easements granted by the iStar Entities up to the Fireside Property line.

(b) **Fireside Easement.** Fireside shall grant the iStar Entities a construction and maintenance easement over the portion of the Fireside Property described in the Amended REMA for purposes of the construction and maintenance of the walkways that now exist or may hereafter be constructed.

11. **Storage Lockers.**

(a) The iStar Entities shall, at their expense, construct fifty (50) storage lockers ("Storage Lockers") in the Parking Garage, on or before October 1, 2009. The location and design of the Storage Lockers shall be in the iStar Entities' discretion so long as the Storage Lockers are constructed in a good and workmanlike manner consistent with the design, configuration and materials of such storage cabinets constructed for use by the iStar Entities, and shall be subject to any requirements imposed by the Town or any other government or regulatory requirements. Fireside shall have an exclusive easement, as provided under the terms of the Amended REMA, to use the Storage Lockers.

(b) Following initial installation of the Storage Lockers, Fireside shall be responsible for overseeing its members' use of the Storage Lockers and for all maintenance, repair and/or replacement of the Storage Lockers.

(c) The rules and regulations on Exhibit 5 attached hereto shall be the initial rules and regulations governing the use of the Storage Lockers by Fireside and its members. The iStar Entities shall be entitled to change the rules and regulations so long as the changes are reasonable and do not interfere with Fireside's use of the Storage Lockers. The iStar Entities shall be permitted access to such Storage Lockers in the event of an emergency or if the iStar

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Entities are compelled by law to access such Storage Lockers.

(d) The iStar Entities shall not be required to install the Storage Lockers if the installation is prohibited by applicable legal requirements, such as a permit is required but denied by the Town.

12. **Crane Easement.** Fireside shall grant the iStar Entities a crane access easement ("Crane Easement"), as set forth in the Amended REMA, which easement shall permit the iStar Entities to operate a crane over portions of the Fireside Property for purposes of the construction of Building C. The Crane Easement shall continue through the issuance of a final certificate of occupancy for Building C.

13. **General Release.**

(a) **Release by Fireside.** Except for the rights and obligations created or preserved by this Agreement and the Amended REMA, Fireside for itself and on behalf of its resident/owner members, and each of them, and all of their respective agents, employees, members, representatives, predecessors, successors, affiliates, board, assigns, officers, directors, partners, attorneys, heirs, executors and administrators, releases and forever discharges the iStar Entities, and 8050, and all of their respective agents, employees, representatives, members, predecessors, successors, affiliates, parent and subsidiary entities, assigns, shareholders, partners, officers, directors, attorneys, insurers, heirs, executors and administrators (including but not limited to Barrow Street Capital, LLC) from any and all claims, rights, demands, obligations, agreements, contracts, representations, promises, liens, accounts, debts, liabilities, expenses, damages, costs, interest, attorneys' fees, judgments, orders, and causes of actions of every kind and nature, whether known or unknown, suspected or unsuspected, existing or claimed to exist from the beginning of time to the Closing Date, including but not limited to claims that arise out of or are related to the allegations in the Complaint, the allegations in the Counterclaim, the 8050 Property, the Fireside Property, the Purchase Agreement, the License Agreement and/or the REMA.

(b) **Release by 8050 and the iStar Entities.** Except for the rights and obligations created or preserved by this Agreement and the Amended REMA, 8050, and the iStar Entities, and each of them, and all of their agents, employees, members, representatives, predecessors, successors, affiliates, board, assigns, officers, directors, partners, attorneys, heirs, executors and administrators, release and forever discharge Fireside, and each of its resident/owners, and all of their respective agents, employees, representatives, members, predecessors, successors, affiliates, parent and subsidiary entities, assigns, shareholders, partners, officers, directors, attorneys, insurers, heirs, executors and administrators from any and all claims, rights, demands, obligations, agreements, contracts, representations, promises, liens, accounts, debts, liabilities, expenses, damages, costs, interest, attorneys' fees, judgments, orders, and causes of actions of every kind and nature, whether known or unknown, suspected or unsuspected, existing or claimed to exist, from the beginning of time to the Closing Date, including claims that arise out of or are related to the allegations in the Complaint, the allegations in the Counterclaim, the 8050 Property, the Fireside Property, the Purchase Agreement, the License Agreement and/or the REMA.

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(c) Waiver of Section 1542. All parties hereto acknowledge that they have read, considered and understand the provisions and significance of Section 1542 of the California Civil Code, which presently provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

The parties hereto expressly waive any and all rights they have or may have under Section 1542 as now worded or hereafter amended. In connection with this waiver, the parties acknowledge that they are aware that they may hereafter discover claims presently unknown or unsuspected or facts in addition to or different from those which they now know or believe to be true with respect to the claims, matters and causes of action released by this Agreement. Nevertheless, all parties intend by this Agreement to release fully, finally and forever all matters released herein. In furtherance of such intention, the releases as set forth in this Agreement shall be and remain in effect as full and complete releases of such matters released herein notwithstanding the discovery or existence of any additional or different claims or facts relevant thereto. It is expressly understood and agreed that this waiver of Section 1542 and the mutual general releases set forth in Section (a) and (b), above are material terms of this Agreement, and were separately negotiated between the parties.

14. Further Assurances. 8050 and Fireside each agrees to perform such other acts, and to execute, acknowledge and deliver, at or after the execution and delivery of this Agreement, such other instruments, documents and other materials as the other may reasonably request as shall be necessary in order to effect the consummation of the transactions contemplated in this Agreement.

15. Representation by Counsel. Each party hereby acknowledges that: (a) it has been represented by counsel of its own choosing in connection with the execution and delivery of this Agreement; (b) no representation, warranty, covenant or undertaking has been made other than those expressly set forth in this Agreement; and (c) such party and its counsel have reviewed this Agreement, and such other agreements, instruments and documents as they deem necessary and appropriate prior to the execution of this Agreement.

16. Non-Admission of Liability. This Agreement is not to be interpreted as any admission of any liability whatsoever for any injuries, claims or damages sustained by either party in connection with the matters herein addressed.

17. Arbitration. Any controversy or claims between the parties arising out of or relating to this Agreement and/or the Amended REMA shall be submitted to JAMS/Endispute for binding arbitration under the then applicable JAMS rules. The arbitration hearing shall commence within thirty (30) days after the appointment of the arbitrator, unless the parties agree otherwise. The costs of the arbitration including any JAMS/Endispute administration fee, the arbitrator's fees, and costs for the use of facilities during the hearing, shall be borne equally by

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the parties to the arbitration. Attorneys' fees and costs (including costs associated with the arbitration) shall be awarded to the prevailing party as determined by the arbitrator. The provisions of Sections 1282.6, 1283, and 1283.05 of the California Code of Civil Procedure apply to the arbitration. The arbitrator shall not have any power to alter, amend, modify or change any of the terms of this Agreement and shall be required to follow California law. The arbitration hearing shall be conducted in Orange County, California.

18. **Representations and Warranties.** Each party hereby represents and warrants that (a) it is duly organized and is validly existing; (b) it has the power and authority to enter into and to perform all of its obligations pursuant to this Agreement; (c) the execution, delivery and performance of this Agreement by each of the undersigned (whether in his/her individual capacity, as attorney-in-fact, as trustee or otherwise) has been duly authorized, and no other authorization or consent is required therefor; and (d) Fireside enters into this Agreement on behalf of Fireside and for and on behalf of, and with the authority to act on behalf of and bind all of the members of Fireside.

19. **Indemnities.**

(a) **Indemnity by Fireside.** In addition to all other legal rights and remedies that the iStar Entities may have against Fireside, at law or in equity, Fireside shall indemnify, defend and hold the iStar Entities, and all of their respective members, managers, directors, officers, employees, agents, and other representatives harmless from all losses, costs, expenses (including reasonable attorneys' fees and costs), liabilities, damages, claims, causes of action and other obligations whatsoever arising out of, relating to or resulting from (i) Access to and use of the Parking Garage and any of the easements provided for under the terms of the Amended REMA by Fireside and/or any of its members or their guests, other than negligent, willful or intentional misconduct by the iStar Entities; and (ii) any inaccuracy or breach of any representation or warranty or the breach of any covenant or agreement made by Fireside in this Agreement, including claims asserted by or on behalf of any present, past or future owner or group of owners of the Fireside Property that: (a) in any way challenge Fireside's authority to enter into this Agreement and/or bind the members or owners of Fireside; (b) seek in any way to challenge the validity or enforceability of this Agreement; or (c) assert any claim released under the terms of this Agreement.

(b) **Indemnity by the iStar Entities.** The iStar Entities shall indemnify, defend and hold Fireside, and all of its members, managers, directors, officers, employees, agents, and other representatives harmless from all losses, costs, expenses (including reasonable attorneys' fees and costs), liabilities, damages, claims, causes of action and other obligations whatsoever resulting from negligent, willful or intentional misconduct by the iStar Entities.

20. **Miscellaneous.**

(a) **Notices.** Except as required under the rules governing the use of the Parking Garage and Storage Lockers, all notices, requests, claims, demands or other communications that are required or may be given pursuant to the terms of this Agreement shall be in writing and shall be deemed to have been duly given: (a) when delivered, if delivered by hand; (b) one business day after transmitted, if transmitted by a nationally-recognized overnight

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courier service; (c) when sent if by facsimile or other electronic transmission, including email; (d) three business days after mailing, if mailed by registered or certified mail (return receipt requested), to the parties at the following addresses:

If to Fireside, to:

Mammoth Fireside Condominiums No. 1 Owner's Association
c/o Butner Homeowners Association Services
P.O. Box 1999
Mammoth Lake, California 93546-1999
Fax No.: (760) 934-5336

With a copy to:

L. Allan Songstad, Jr., Esq.
Songstad & Randall LLP
2201 Dupont Drive, Suite 100
Irvine, California 92612
Telephone: (949) 757-1600
Fax: (949) 757-1613
E-mail: asongstad@sr-firm.com

If to 8050, to:

8050 Mammoth
Attn: General Manager
P.O. Box - PMB 595
Mammoth Lakes, California 93546

With copies to:

Katie Morris
iStar Financial, Inc.
One Sansome Street, 30th Floor
San Francisco, California 94104

Stuart M. Richter, Esq.
Katten Muchin Rosenman LLP
2029 Century Park East, Suite 2600
Los Angeles, California 90067
Email: stuart.richter@kattenlaw.com
Telephone: (310) 788-4400
Fax: (310) 712-8434

Any party hereto may change its address or facsimile number for notices by giving notice of such change in the manner provided in this Section. Any notice, demand or other communication hereunder may be given by the attorneys for such party.

(b) Attorneys' Fees. The terms of this Agreement and the Amended REMA shall be enforceable pursuant to Section 664.6 of the Code of Civil Procedure. The prevailing party in any action involving or relating to the interpretation, implementation or enforcement of

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this Agreement or the Amended REMA, or any lawsuit, arbitration or other proceeding involving claims that arise out of or relate to this Agreement and/or the Amended REMA shall be entitled to recover actual attorneys' fees and all costs and expenses.

(c) Governing Law. This Agreement shall be governed by the laws of the State of California applicable to instruments executed and to be performed wholly within that state.

(d) Entire Agreement. This Agreement and the Amended REMA constitute the entire agreement between the parties with respect to the matters addressed herein and supersede any prior oral or written agreements, understandings or representations between them relating in any way to the subject matter hereof.

(e) No Modification Or Amendment. This Agreement may be amended or modified only by a written instrument signed by both of the parties.

(f) Successors. This Agreement shall be binding upon each of the parties and upon their respective successors and assigns.

(g) No waiver. The rights and remedies of the parties under this Agreement shall be cumulative and not alternative. No waiver by either party of any right or remedy under this Agreement shall be effective unless in a writing signed by such party.

(h) Severability. The unenforceability of any one clause of this Agreement shall in no way impair the enforceability of any other clause. If any provision contained in this Agreement shall for any reason be held to be excessively broad as to scope, activity, subject or otherwise so as to be unenforceable at law, such provision shall be construed by the appropriate judicial body by limiting or reducing it so as to be enforceable to the maximum extent compatible with the applicable law as it shall then appear.

(i) Counterparts. This Agreement may be executed in one or more counterparts, and in both original form or one or more photocopies, each of which shall be deemed to be an original, but all of which together shall be deemed to constitute one and the same agreement. Copies of executed counterparts transmitted by facsimile or other electronic means shall be considered original executed counterparts for purposes of this Section.

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Initials:

RD AM
AO PS

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date indicated on the first page of this Agreement.

MAMMOTH FIRESIDE CONDOMINIUM NO. 1
OWNERS ASSOCIATION,
a California unincorporated Association

By: ITS BOARD OF DIRECTORS

By: Howard Wickersham
Howard Wickersham
One of its Directors

By: _____
Phyllis St. George
One of its Directors

By: _____
Bob Szpila
One of its Directors

By: _____
Annette Oltmans
One of its Directors

By: _____
Steve Webb
One of its Directors

MAMMOTH 8050 LLC, a Delaware
limited liability company

By: 8050 PARTNERS, L.P.,
a Delaware limited partnership
Its Sole Member

By: BARROW STREET CAPITAL, LLC, a
Delaware limited liability company
Its Managing Member

By: _____
Steve Libowitz
Its Vice President

SEAN COMBS, an individual

By: _____
Sean Combs

Initials:
HW

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date indicated on the first page of this Agreement.

MAMMOTH FIRESIDE CONDOMINIUM NO. 1
OWNERS ASSOCIATION,
a California unincorporated Association

By: ITS BOARD OF DIRECTORS

By: _____
Howard Wickersham
One of its Directors

By: Bob Szpila
Bob Szpila
One of its Directors

By: Steve Webb
Steve Webb
One of its Directors

By: Phyllis St. George
Phyllis St. George
One of its Directors

By: Annette Oltmans
Annette Oltmans
One of its Directors

MAMMOTH 8050 LLC, a Delaware
limited liability company

By: 8050 PARTNERS, L.P.,
a Delaware limited partnership
Its Sole Member

By: BARROW STREET CAPITAL, LLC, a
Delaware limited liability company
Its Managing Member

By: _____
Steve Libowitz
Its Vice President

///

///

///

Initials:

RTS
AD ps

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date indicated on the first page of this Agreement.

MAMMOTH FIRESIDE CONDOMINIUM NO. 1
OWNERS ASSOCIATION,
a California unincorporated Association

By: ITS BOARD OF DIRECTORS

By: _____
Howard Wickersham
One of its Directors

By: _____
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By: _____
Bob Szpila
One of its Directors

By: _____
Annette Oltmans
One of its Directors

By: _____
Steve Webb
One of its Directors

MAMMOTH 8050 LLC, a Delaware
limited liability company

By: 8050 PARTNERS, L.P.,
a Delaware limited partnership
Its Sole Member

By: BARROW STREET CAPITAL, LLC, a
Delaware limited liability company
Its Managing Member

By: _____
Steve Lebowitz
Its Vice President

~~SEAN COMBS, an individual~~

By: _____
~~Sean Combs~~

Initials:

ISTAR FINANCIAL, INC.,
a Maryland Corporation

By: _____
Erich Stiger
Its Senior Vice President

SFI MAMMOTH HOLDINGS, LLC
a Delaware limited liability company

By: _____
Erich Stiger
Its Senior Vice President

MAMMOTH 8050 HOMEOWNERS ASSOCIATION,
a California non-profit public benefit corporation

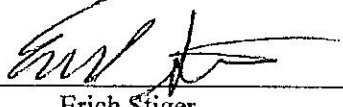
By: _____
Erich Stiger
Its President

MAMMOTH 8050 CONDOMINIUM ASSOCIATION,
a California non-profit public benefit corporation


By: _____
Erich Stiger
Its President

Initials:
RTS AN
AQ PB


iSTAR FINANCIAL, INC.,
a Maryland Corporation

By: 
Erich Stiger
Its Senior Vice President


SFI MAMMOTH HOLDINGS, LLC
a Delaware limited liability company

By: 
Erich Stiger
Its Senior Vice President

MAMMOTH 8050 HOMEOWNERS ASSOCIATION,
a California non-profit public benefit corporation

By: 
Erich Stiger
Its President

MAMMOTH 8050 CONDOMINIUM ASSOCIATION,
a California non-profit public benefit corporation

By: 
Erich Stiger
Its President

ACCEPTED AND AGREED TO AS OF
THE DATE FIRST WRITTEN ABOVE:

FIRST AMERICAN TITLE INSURANCE COMPANY

By: 

Name: Dawn Nichols

Title: Escrow Officer

FIRST AMERICAN TITLE INSURANCE COMPANY

By: 

Name: Wendy Hagen

Title: Title Officer

List of Exhibits

Exhibit 1: Release of Lis Pendens

Exhibit 2: Subordination Agreements

Exhibit 3: Approved Building C Design Plans and Proposed Redesign Plans

Exhibit 4: Amended REMA

Exhibit 5: Parking Garage and Storage Locker Rules and Regulations

Initials:

RTS *Am*
AO *ps*